

"(A) wine produced by any person would be eligible for any credit under paragraph (1) if removed by such person during the calendar year.

"(B) wine produced by such person is removed during such calendar year by any other person (hereafter in this paragraph referred to as the transferee) to whom such wine was transferred in bond and who is liable for the tax imposed by this section with respect to such wine, and

"(C) such producer holds title to such wine at the time of its removal and provides to the transferee such information as is necessary to properly determine the transferee's credit under this paragraph.

then, the transferee (and not the producer) shall be allowed the credit under paragraph (1) which would be allowed to the producer if the wine removed by the transferee had been removed by the producer on that date.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

"(A) to prevent the credit provided in this subsection from benefiting any person who produces more than 250,000 wine gallons of wine during a calendar year, and

"(B) to assure proper reduction of such credit for persons producing more than 150,000 wine gallons of wine during a calendar year."

(6) Paragraph (3) of section 5061(b) is amended to read as follows:

"(3) section 5041(f)."

(7) Section 5354 is amended by inserting "(taking into account the appropriate amount of credit with respect to such

wine under section 5041(c))" after "any one time".

(c) AMENDMENTS RELATED TO SUBTITLE C.—

(1) Paragraph (4) of section 56(a) is amended by redesignating subparagraphs (I) and (J) as subparagraphs (H) and (I), respectively.

(2) Subparagraph (B) of section 6724(d)(1) is amended—

(3) by striking "or" at the end of clause (xii), and

(4) by striking the period at the end of clause (xiii) and inserting ", or".

(5) Subsection (g) of section 6302 is amended by inserting ". 22." after "chapters 21".

(6) The earnings and profits of any insurance company 26
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to which section 11305(c)(3) of the Revenue Reconciliation Act of 1990 applies shall be determined without regard to any deduction allowed under such section: except that, for purposes of applying sections 56 and 902, and subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986, such deduction shall be taken into account.

- (5) Subparagraph (D) of section 6038A(e)(4) is amended—
- (7) by striking "any transaction to which the summons relates" and inserting "any affected taxable year"; and
- (8) by adding at the end thereof the following new sentence: "For purposes of this Subparagraph, the term **affected taxable year** means any taxable year if the determination of the amount of tax imposed for such taxable